

THE BOARD OF TRUSTEES OF THE
COLLEGE SAVINGS PLANS OF NEVADA

MINUTES OF BOARD MEETING
September 24, 2015

Chairman Dan Schwartz, State Treasurer, called the meeting of the Board of Trustees of the College Savings Plans of Nevada to order at 10:00 a.m., on Thursday, September 24, 2015. The meeting was held by conference call from the Paul Laxalt State Building, 401 N. Carson St., Carson City, Nevada to the Grant Sawyer Building, 555 East Washington Avenue, Suite 5100, Las Vegas, Nevada. Other attendees participated in person or by conference call.

Board members present:

Chairman Dan Schwartz – Las Vegas
Jamie Hullman – Carson City
Ned Martin – Las Vegas
Janet Murphy – Carson City

Others present:

Grant Hewitt, Chief of Staff, Treasurer's Office
Tara Hagan, Chief Deputy Treasurer, Treasurer's Office
Linda J. English, Deputy Treasurer for College Savings
Sheila Salehian, Deputy Treasurer for Prepaid Tuition & Financial Literacy
Shane Chesney, Nevada Attorney General's Office
Blanca Platt, Program Officer, Treasurer's Office
Troy Watts, Marketing Coordinator, Treasurer's Office
Tricia Brady, Ascensus College Savings
Judy Minsk, Putnam Investments
Mitch Fielding, Putnam Investments
Michael Wands, Putnam Investments
Scott Sipple, Putnam Investments
Robert Kea, Putnam Investments
Joanna Damp, SSGA
Eduardo Borges, SSGA
Tom Hewitt, Vanguard
Caroline Tucker, USAA
Bob Landry, USAA
Dave Malone, Ascensus
Pattie Weed, Thomas & Thomas
Megan Bedera, Amplify Relations

Roll was taken, and it was determined a quorum was present. Ms. English indicated the meeting had been properly noticed and the agenda was posted in accordance with the Open Meeting Law in both Carson City and Las Vegas.

1. Public Comment

There was no public comment in Las Vegas or Carson City.

Consent Agenda

2. For possible action: Board review and approval of the College Savings Board minutes of July 23, 2015.
3. For possible action: Board review and approval of the Ascensus program manager's report encompassing results for Vanguard, USAA, and SSgA Upromise 529 plans for the quarter ended June 30, 2015.
4. For possible action: Board review and approval of the Putnam 529 for America advisor sold program manager's report for the quarter ended June 30, 2015.
5. For possible action: Board review and approval of the Thomas & Thomas unaudited financial statements of the Nevada College Savings Plans compiled for the quarter ended June 30, 2015.
6. For possible action: Board review and approval of a supplement to the USAA 529 College Savings Plan Program description to update performance and expense ratio charts as of June 30, 2015.
7. For possible action: Board review and approval of the Prepaid Tuition Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending June 30, 2015.

Jamie Hullman motioned to approve the items in the consent agenda. Janet Murphy seconded the motion.

Discussion Agenda

8. For possible action: Board review and approval of the Nevada College Savings Plans Investment Monitoring Report prepared by Pension Consulting Alliance, Inc. for the quarter ending June 30, 2015.

Eric White from Pension Consulting Alliance, Inc. presented the Investment Monitoring Report for the quarter ending on June 30, 2015. Mr. White explained that USAA currently has 3 funds on "Watch" status and Putnam has two funds that qualify for "Watch" status. Currently, Vanguard and SSgA don't have any funds which qualify for "Watch" status.

The USAA funds under "Watch" status include USAA Income Stock, USAA Emerging Markets and USAA Real Return. Mr. White explained that for the USAA Income Stock, PCA is recommending a new benchmark. MSCI USA IMI High Dividend, DJ US Select Dividend and S&P High Yield Dividend Aristocrats are the most closely approximates to the USAA Income Stock fund; therefore, PCA recommends the Board use the MSCI USA IMI High Dividend benchmark, in addition to the benchmark determined by USAA. PCA is confident that USAA Income Stock Fund will be able to fulfill its role as a lower-risk, higher-quality equity fund.

Jamie Hullman asked Mr. White for the process of what happens when a fund is placed on "watch" status. Eric White responded that it ensure the Board conducts the necessary due diligence and determine why the fund is underperforming. Treasurer Schwartz inquired about the benchmark; he wanted to know who chooses the benchmark. Mr. White responded that each fund lists a stated benchmark. If PCA makes the decision to modify a benchmark, they ask the Board for permission.

Jamie Hullman motioned to approve Agenda Item 8. Janet Murphy seconded the motion.

9. For possible action: Board review and approval of the annual investment presentation for Putnam 529 for America.

Judy Minsk along with Scott Sipple and Robert Kea delivered the annual investment review for Putnam 529. Judy Minsk explained that they are currently the number two plan based on performance nationwide as determined by SavingForCollege.com. They stated that equity holdings in the Putnam plan have been reduced as valuations have become a growing concern. During the year, they have also trimmed their recent long-term interest rate exposure, and they have increased their credit risk over the past few months.

Putnam is requesting to allow the Plan to "open markets" in the Emerging Market benchmark countries, Qatar, UAE and Egypt to allow trading in the separately managed accounts that are used for the Plans age-and goal based options. They also requested opening a Segregated KRW Cash Account in order to get a precise trading time when State Street will process FX trades on the fund's behalf. Eric White explained that PCA has reviewed the proposed changes, and they believe that the changes are consistent with institutional best practices. PCA recommends that the Board accept the changes

proposed by Putnam. Tara Hagan, Chief Deputy Treasurer, added that Staff agrees with the recommendation made by PCA.

Ned Martin motioned to approve Agenda Item 9. Jamie Hullman seconded the motion.

10. Staff Notes

Linda English stated that 423 applications were received during the open enrollment period of the Silver State Matching Grant Program. She also informed the Board that the Treasurer's Office is giving away 20 \$529 awards to celebrate college savings month and at the time of this meeting, they had received 200 entries.

Sheila Salehian mentioned that the Nevada Prepaid Tuition program will open its 2015 enrollment period on November 1, 2015, and it will conclude on March 31, 2016. She also noted that the College Savings Board is sponsoring several financial literacy conferences for Women, Veterans, Seniors and Latina Women over the next several months.

11. Public Comment

Tricia Brady informed the Board that SSgA hired Ardie Hollingsworth as the new field representative in Las Vegas.

Hearing no further business, Chairman Schwartz adjourned the meeting at 11:05 a.m.

Attest:



Linda English, Secretary to the Board